

DEED OF TRUST

BK 1272 PG 04 11

Date:

STATE MS - DE 0700

Borrowers-Grantors-herein refers to Larry Merritt and Stephanie Merritt

DEC 13 11 39 AM '0

Trustee. Dave Davis

Lender-Beneficiary-Corporation-herein refers to First Family Financial Servcies, INC 1272

Principal Balance \$ 43321.00

WITNESSETH:

THAT FOR AND IN CONSIDERATION of \$1.00 cash in hand paid, the receipt of which is hereby acknowledged and for the purpose of securing the payment of the Loan Agreement hereinafter described, any renewal thereof, the performance of the covenants and agreements hereinafter set out, the Grantors hereby grant, bargain, sell and convey unto the Trustee, and his successors in Trust, the following described real estate situated in the State of Mississippi Judicial District of Desoto County, State of Mississippi, more particularly described as follows, to wit:

Indexing Instructions:

See Exhibit "A"

Including also fixtures now attached to the real estate herein described.

To have and to hold said real estate to the above named Trustee, and his successors in trust, forever. Grantors covenant that we are lawfully seized of said property, have a good right to convey it, and that the same is unencumbered, except current taxes.

Grantors further covenant and bind themselves, their heirs and representatives, to warrant and defend the title to said property, to the above named Trustee and his successors in trust, and his assigns, forever, against the lawful claims of all persons whomsoever.

Grantors, jointly and severally, as to the real estate described above, specifically waive all rights of Homestead exemption, Dower and Curtesy rights, appraisement, redemption, equity of redemption, and all other similar rights or exemptions and benefit now in effect or hereafter enact, in favor of the Grantors, now or hereafter existing in the State where the real estate is located and the State of the Resident, now or at anytime hereafter, of the Grantors.

This conveyance is made in Trust for the following uses in Trust and for no other purpose, to wit: (1) To secure and make certain the prompt and faithful payment of a Loan Agreement of even date herewith in the principal balance stated above, together with interest thereon at the interest rate specified in the Loan Agreement and payable to First Family Financial Services, INC in 360 consecutive monthly installments with the first installment due 12/05/00 and thereafter a payment on the same day of each succeeding month until paid in full; and (2) Any renewals or extensions of the aforementioned Loan Agreement or any part or installment thereof; and (3) To secure all other obligations of the Grantors hereunder.

If the above-described Loan Agreement is further secured by a lien on other property, real personal or mixed, Corporation shall not be compelled to exhaust such other security before requesting that the Trustee proceed hereunder.

Grantors warrant and covenant that if the said real estate is sold, agreed to be sold, conveyed, assigned or alienated by said Grantors, the Corporation may, at its option, immediately declare the indebtedness secured hereunder, due and payable, whether due according to its face or not, and commence foreclosure proceedings.

Grantors agree to pay all taxes and assessments levied on the within described real estate when the same becomes due and payable, and promptly deliver the official receipts therefor to the Corporation or a certificate signed by each taxing official to whom any said taxes or assessments shall be payable, that all such taxes and assessments due to be paid such official have been paid for the current year.

Grantors will keep the improvements now existing or hereinafter erected on the premises insured against loss or damage by fire and other hazards and perils included within the scope of a standard extended coverage endorsement, and such other hazards as Beneficiary may require, in such amounts and for such periods as Beneficiary may require, and in an insurance company or insurance companies acceptable to Beneficiary. All insurance policies and renewals shall designate Beneficiary as mortgage loss payee and shall be in a form acceptable to Beneficiary. Grantors hereby confer full power on Beneficiary to settle and compromise all loss claims on all such policies, to demand, receive, and receipt for all proceeds becoming payable thereunder; and, at his option, to apply same toward either the restoration or repair of the premises or the payment of the Loan Agreement. Any application of such proceeds toward payment of the Loan Agreement shall not extend or postpone the due date of monthly installments due under the Loan Agreement. Prepared By: First Family Financial Services, INC
Return to: 1429 Goodman Rd Sp 19
Horn Lake, MS 38637

<input checked="" type="checkbox"/>	ORIGINAL (1)
<input type="checkbox"/>	BORROWER COPY (1)
<input type="checkbox"/>	RETENTION COPY (1)

If Grantors fail to perform the covenants and agreements contained in this Deed of Trust including, without limitation, covenants to pay taxes, procure insurance, and protect against prior liens, Beneficiary may at its option, but shall not be required to, disburse such sums and take such actions necessary to pay such taxes, procure such insurance, or otherwise to protect his interest. Any amount disbursed by Beneficiary hereunder shall be an additional obligation of Grantors secured by this Deed of Trust. Unless Grantors and Beneficiary agree otherwise, all such amounts shall be payable immediately by Grantors upon notice from Beneficiary to Grantors, and may bear interest from the date of disbursement by Beneficiary at the lesser of the Agreed Rate of Interest stated in the Loan Agreement or the highest rate permissible by applicable law. Nothing contained in this paragraph shall require Beneficiary to incur any expense or take any action whatsoever.

It is agreed that if default be made in the payment of any of the aforesaid taxes or assessments, or in procuring and maintaining of insurance as above covenanted or in the event of the failure of the Grantors to keep the buildings and improvements on said real estate and those to be erected thereon, in good repair, said corporation, its successors and assigns, may pay such taxes or assessments or any part thereof, effect such insurance, and make such repairs as in its discretion it may deem necessary for the proper preservation thereof; and the sums so paid shall be secured hereunder, payable forthwith, without notice or demand, with interest until paid, or by agreements the same may be made payable in future installments.

Said Grantors further agree to pay on demand to the Corporation or the Corporation may, as its option, add to the balance then due, all costs, including court costs and attorney's fees, paid or incurred by the Corporation in prosecuting, defending, or intervening in any legal or equitable proceedings wherein any of the rights created by this Deed of Trust are, in the sole judgment of the Corporation, jeopardized or in issue.

NOW, THEREFORE, if Grantors shall pay promptly when due, according to the terms of said Loan Agreement and this instrument, all sums required of said Grantors and promptly perform all other provisions and conditions hereof, then this conveyance shall be null and void and shall be released at Grantors expense. But if Grantors fail or default in the payment, when due, of any installments under said Loan Agreement, or in payment of the aforesaid taxes and assessments prior to the same becoming delinquent, or in the furnishing of insurance or paying the premiums therefor, or in the prompt payment of any other sums required hereunder or prompt performance of any other covenant or provisions hereof when the same is payable or the time of performance has arrived as herein provided then, in any said events, said Loan Agreement and all other indebtedness secured hereby shall, without notice, at the option of Corporation, its successors or assigns, become immediately due and payable, whether due according to its face or not, and this conveyance shall remain in full force and effect and said Trustee or any successor Trustee is hereby authorized and empowered to proceed to sell the real estate hereinabove described or a sufficiency thereof to satisfy the total debt secured hereby then owing and unpaid. The sale of said real estate shall be made within legal hours, at the Courthouse door of Desoto County, Mississippi at public outcry, to the highest bidder for cash, after the Trustee has given notice of the time, place and terms of said sale in a newspaper published in the county wherein the property is situated, for three consecutive weeks next preceding the date of said sale and by posting a notice thereof for said period of time at the county courthouse. The acting Trustee may sell said real estate without taking possession of the same, and is hereby authorized to appoint an agent and auctioneer to make such sale in his absence, which sale shall be valid as if made by said Trustee. Any sale made pursuant hereto shall be free from the right of redemption, equity of redemption, Homestead and Dower exemptions, and all other rights and exemptions of every kind in the said real estate which are expressly waived and the said acting Trustee is authorized to make a deed to the purchaser, which deed shall be conclusive of the regularity of all of the proceedings hereunder. The Corporation, its successors or assigns, are expressly authorized to bid and become the purchaser at any sale hereunder. The Trustee, or any successor Trustee, may at any time after any default hereunder, enter and take possession of said real estate and shall only account for net rents received by him.

The Grantors waive the provisions of Chapter 248, Laws of Mississippi of 1934 and Laws amendatory hereof, if any, as far as said section restricts the right of the Trustee to offer at sale more than 160 acres at a time, and the Trustee may offer the property herein conveyed as a whole regardless of the manner in which it may be described, or if the property is described in separate tracts or parcels, the Trustee may sell each tract or parcel separately or in groups of tracts or parcels at successive sales or sell said property all together. If the real estate conveyed herein should be situated in two or more counties or in two judicial districts of the same county, then the Trustee shall have full power, in case he is directed to foreclose hereunder, to select in which county or judicial district the sale of all the said real estate shall be made and his selection shall be binding upon the Grantors and Corporation and all persons claiming through or under them, whether by contract or by law. The Trustee shall have full power to fix the day, time, terms and place of sale and shall also have full power to conduct any sale hereunder through an agent duly appointed by him for that purpose, but said appointment or agent need not be recorded.

The Trustee acting hereunder shall distribute the proceeds of any sale made by him as follows: first, to the cost of executing this Trust, including a reasonable fee for himself and his attorney; then, second, to the repayment of any sums advanced for payment of taxes and assessments, insurance, or any part thereof, and repairs and interest thereon; then, third, to the payment of the indebtednesses secured hereby; and then, fourth, the remaining balance, if any, to the Grantors, their heirs or assigns.

The Corporation is hereby authorized, at any time, to appoint a substitute Trustee to act instead of the Trustee named herein, and to appoint other substitute Trustees successively and each such substitute Trustee shall succeed to all the rights and powers of the first Trustee named herein.

It is further agreed by said Grantors that said Trustee, or his successors, may execute the power of sale herein and other powers and rights without giving bond or taking oath.

In the event of a sale of said property under and by virtue of this Trust, the said Grantors and all persons holding under them shall be and become the tenants at will of the purchaser of the same, from and after the execution and deliver of a deed to such purchaser, said tenancy to be terminated at the option of said purchaser without notice, and Grantors and all persons holding under or through Grantors removed by process as upon a forcible and unlawful detainer suit, and Grantors agree to pay to said purchaser the reasonable rental value of said real estate from and after said sale, and a reasonable attorney's fee, if an attorney is employed to enforce the provisions hereof.

In the event the ownership of the real estate hereby conveyed, or any part thereof, becomes vested in a person other than the Grantors, the Corporation may, without notice to the Grantors, deal with such successor or successors in interest with reference to this instrument and the debt hereby secured, in the same manner as with the Grantors without in any way vitiating or discharging the Grantor's liability hereunder or upon the debt hereby secured. No sale of the premises hereby conveyed and no forbearance on the part of the Corporation and no extension of the time for the payment of the debt hereby secured shall operate to release, discharge, modify, change, or effect the original liability of the Grantors either in whole or in part.

In the event the premises or any part thereof are taken under the power of eminent domain, the entire award shall be paid to the Corporation and credited to the unpaid principal balance of the loan and the Corporation is hereby empowered in the name of the Grantors or the Grantor's assigns to receive and give acquittance for any such award or judgment, whether it be joint or several.

It is further specifically agreed that time is of the essence of this contract and that no delay in enforcing any obligation hereunder or of the obligation secured hereby shall at any time hereafter be held to be a waiver of the terms hereof, or of any of the instruments secured hereby.

If less than two joins in the execution hereof as Grantors, or may be of the feminine sex, the pronouns and relative words herein shall be read as if written in singular or feminine, respectively.

The covenants herein contained shall bind, and the benefits and advantages inure to, the respective heirs, successors and assigns of the parties named.

IN WITNESS WHEREOF, we have hereunto signed our names on the date written above.

Larry Merritt
Larry Merritt
Stephanie Merritt
Stephanie Merritt

ACKNOWLEDGMENT

STATE OF MISSISSIPPI, COUNTY OF DeSoto, SS:

Personally appeared before me, the undersigned authority in and for the said county and state on this 30th day of October, 2000, within my jurisdiction, the within named Larry Merritt & Stephanie Merritt who acknowledged that they executed the above and foregoing instrument.

Joe Gregory Stewart
Notary Public

(SEAL)

My commission expires: April 7, 2001

Prepared By: First Family Financial Services, INC
(Lender Name)

1429 Goodman Rd Sp 19 PO Box 38
Horn Lake, MS 38637

Telephone Number: 662-342-6401

**First Family Financial Services**

1429 Goodman Road West, Space #19
P.O. Box 38
Horn Lake, Mississippi 38637
601-342-6401
FAX 601-342-5021

Lot 827, Section B, North 1/2, DeSoto Village Subdivision, situated in Section 33 and 34, Township 1 South, Range 8 West, as per plat thereof recorded in Plat Book 8, Pages 12 through 15, in the office of the Chancery Clerk of DeSoto County, Mississippi.

This being the same property conveyed to Secretary of Housing and Urban Development of Washington, D. C., his successors and assigns, from Arnold M. Welco, as Substitute Trustee, by deed dated July 13, 2000, recorded August 3, 2000 in Book 377, Page 29, recorded in the office of the Chancery Clerk of DeSoto County, Mississippi.

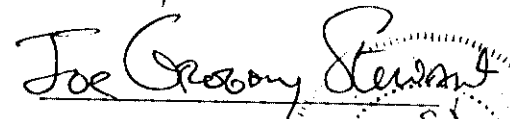
Parcel No: 1088-3402.0-00827.00

Property also known as: 2995 Meadowbrook, Horn Lake, Mississippi

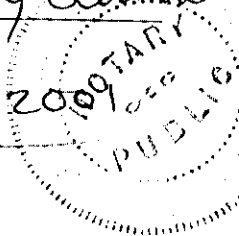

Larry Merritt

Stephanie Merritt

Sworn before me this
30th day of Oct. 2000

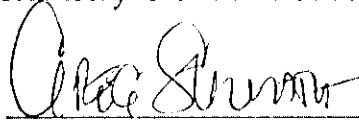

Notary

Comm. expires April 7, 2009



Indexing instructions to the
Chancery Court Clerk of DeSoto
County, Mississippi, as per Section
89-5-33 MCA Annotated.

Lot 827, Section B, North ½, DeSoto Village Subdivision, situated in Section 33 and
34, Township 1 south, Range 8 West, as per plat thereof recorded in Plat Book 8,
Pages 12 and 15, in the office of the Chancery Clerk of DeSoto County, Mississippi.



Prepared by: GREG STEWART
Mississippi State Bar #8772
Stewart Law Office
803 Royal Oaks
Oxford, Mississippi 38655
662-234-6912

Grantor: U. S Department of Housing and Urban Development
Best Assets/CitiWest
3420 Norman Ferry Road
Suite 60
Atlanta, Georgia 30354
404-768-1400

Grantee: Larry Merritt
Stephanie Merritt
2995 Meadowbrook
Horn Lake, Mississippi
Unknown